

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS  
DMC AUDIT APPEAL PROCESS**

The Department of Health Services, Office of Legal Services, Administrative Hearing and Appeals Unit (DHS), provides an audit appeal process for the Department of Alcohol and Drug Programs (ADP) through an inter-agency agreement. This is the process used to appeal financial findings that involve Drug Medi-Cal (DMC) funds or both DMC and non-DMC funds.

An appeal may be filed with ADP if a county or a direct service provider disagrees with any financial audit finding.

If an appeal is filed with ADP, an informal review will be scheduled by DHS to resolve the facts and issues in dispute. The results of the informal review will be provided to both parties in the form of a written Report of Findings and will be considered as final unless a request for a formal hearing is filed with DHS.

In formal hearings conducted by DHS, a hearing officer will consider all pertinent legal issues through oral and written testimony of the parties. Subsequently, a proposed decision by the hearing officer will be issued for consideration and approval of the Director of ADP.

The following process is required to initiate an appeal process:

1. A written request for appeal must be mailed within sixty (60) calendar days from receipt of the audit report to:

Department of Alcohol and Drug Programs  
Audit Appeals Coordinator  
1700 K Street, Fifth Floor  
Sacramento, CA 95814
2. The request (referred to as a Statement of Disputed Issues) need not be formal, but it must be specific as to the issues in dispute, stating the specific grounds upon which objection to the specific item is based, and the estimated amount each issue involves.
3. The request may incorporate by reference or paraphrase written disputes submitted to the county by a subrecipient/provider audited by ADP. If incorporated by reference, a copy of the subrecipient/provider's written disputes should be attached.

4. The request must be signed by an individual with the authority to represent the county or direct service provider, and the mailing address of that individual must be identified.
5. The Audit Appeals Coordinator will be responsible for further arrangements after receipt of the request.
6. A written Notice of Hearing of the time and place of the appeal proceedings will be mailed to each party at least 30 calendar days prior to the date of these proceedings.